

Message Text

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ACTION EB-08

INFO OCT-01 ISO-00 AF-08 ARA-06 EA-07 EUR-12 NEA-10 IO-13
INT-05 GSA-01 L-03 FRB-03 OMB-01 ITC-01 SP-02 USIA-06
AID-05 CIAE-00 COME-00 INR-07 LAB-04 NSAE-00 OIC-02
SIL-01 STR-04 TRSE-00 CIEP-01 CEA-01 /112 W
-----241448Z 022524 /46

P R 241415Z JAN 77
FM AMEMBASSY PARIS
TO SECSTATE WASHDC PRIORITY 9044
INFO AMEMBASSY CANBERRA
USMISSION GENEVA
AMEMBASSY KINSHASA
AMEMBASSY LIMA
AMEMBASSY LUSAKA
AMEMBASSY OTTAWA
AMEMBASSY SANTIAGO

C O N F I D E N T I A L SECTION 01 OF 02 PARIS 02209

E.O. 11652: GDS
TAGS: UNCTAD, EMIN, CIPEC, FR
SUBJ: UNCTAD/COPPER -- CIPEC AND FRENCH PAPERS FOR
FEBRUARY IEGC MEETING

REF: STATE 4771

1. SINCE RECEIPT OF REFTTEL, WE HAVE HAD TWO SESSIONS WITH CIPEC (PARKINSON) AND ONE WITH GOF (LEGOUX) REGARDING PROPOSALS AND PAPERS BEING PREPARED FOR FEBRUARY IEGC MEETING. RESULTS ARE REPORTED IN FOLLOWING PARAGRAPHS.
2. ON OUR INITIAL VISIT TO CIPEC HEADQUARTERS JANUARY 14, MARKETING CHIEF PETER PARKINSON DEMURRED ON HANDING OVER COPIES OR GIVING US DETAILED SUBSTANTIVE OUTLINE OF INTERIM MEASURE PRICE BASE PROPOSALS ORGANIZATION WAS CONFIDENTIAL

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PUTTING TOGETHER. HE DID GIVE US PROCEDURAL RUNDOWN AS FOLLOWS: (A) CIPEC EXECUTIVE COMMITTEE MEETING DECEMBER 17 AGREED THAT SECRETARIAT SHOULD PREPARE PRICE BASE PROPOSALS FOR COPPER CONTRACTS IN FORM OF CIPEC TO UNCTAD MEMORANDUM; (B) DRAFTS OF THESE PROPOSALS WILL BE CONSIDERED AT NEXT EXECUTIVE COMMITTEE MEETING FEBRUARY 3; (C) WHILE CIPEC DRAFTS SUGGEST MOVEMENT

AWAY FROM LME PRICES IN SALES CONTRACTS, QUOTE NOTHING
DRAMATIC SUCH AS THREEFOLD INCREASE IS BEING PROPOSED
UNQUOTE; (D) WHILE MECHANICS OF SUGGESTED SYSTEM ARE
QUITE COMPLICATED, CIPEC SECRETARIAT FEELS AGREEMENT IN
PRINCIPLE COULD COME FOLLOWING PRODUCER/CONSUMER DEBATE
FEBRUARY 7-18 IN GENEVA; (E) PROCEDURAL PROBLEM REMAINS,
HOWEVER, IN THAT GENEVA MEETING AGENDA PLACES INTERIM
MEASURES 19TH OUT OF 27 TOPICS TO BE DISCUSSED -- SOME
SORT OF SPECIAL PRIORITY WILL HAVE TO BE GIVEN THIS
SUBJECT; AND (F) EVEN IF AGREEMENT IN PRINCIPLE WERE
ACHIEVED AT FEBRUARY EXPERTS MEETING, CIPEC SECRETARIAT
DOUBTS FINAL DETAILS OF THESE PRODUCT PRICING ARRANGE-
MENTS COULD BE THRASHED OUT MUCH BEFORE MAY UNCTAD
PREPCON.

3. PARKINSON THEN NOTED SUCCESS OF ABOVE SCENARIO WOULD
BE AFFECTED TO CONSIDERABLE EXTENT BY DEGREE TO WHICH
CIPEC WILL BE PERMITTED TO TALK TO VARIOUS U.S. AND
CANADIAN COPPER COMPANIES WITHOUT GETTING INTO TROUBLE
WITH ANTI-TRUST LEGISLATION. HE ADDED THAT HE AND CIPEC
EXECUTIVE DIRECTOR GUERONIK HOPED TO EXPLORE THIS
SITUATION WITH U.S. AND CANADIANS AT FEBRUARY EXPERTS
MEETING.

4. IN ADDITION TO INTERIM MEASURES, PARKINSON NOTED THAT
FEBRUARY MEETING WILL SEE CIPEC SUBMITTING LONGER RANGE
DESCRIPTIVE PAPERS ON: (A) STRUCTURE OF WORLD COPPER
TRADE; (B) MARKETING AND PRICING; (C) CAPITAL REQUIRE-
MENTS, AND (D) CAUSES OF PRICE FLUCTUATIONS.
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5. AT END OF SESSION, WE ASKED ONCE MORE ABOUT POSSIBILITY OF OUR OBTAINING ADVANCE COPY OF CIPEC CONTRACT PRICE BASE STUDY, AND PARKINSON SAID HE WOULD LOOK INTO MATTER.

6. ON JANUARY 21, WE TALKED ONCE MORE WITH PARKINSON. HE NOW PROPOSES AN EXCHANGE OF PAPERS. CIPEC WILL PROVIDE US DRAFTS OF THEIR CONTRACT PRICE BASE PROPOSALS IN RETURN FOR PRIVILEGE OF SEEING ANY PREPARATORY WORK AND/OR PROPOSALS U.S. DELEGATION HAS FORMULATED FOR UPCOMING EXPERTS MEETINGS. ARE THERE ANY SUCH PAPERS WHICH DEPARTMENT FEELS IT COULD AT THIS TIME APPROPRIATELY FORWARD THROUGH EMBASSY PARIS FOR CIPEC'S REVIEW?

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7. RE REFTEL PARA 2: ON JANUARY 21, GOF DELEGATION HEAD PIERRE LEGOUX ADVISED US HE WAS PUTTING FINISHING TOUCHES ON HIS BUFFER STOCK AND OTHER PROPOSALS. HE PROMISED TO FORWARD COPIES OF THESE TO US, AND WE WILL RELAY THEM TO DEPARTMENT (ATTN: HEWITT - EB/ICD/ISM) AS SOON AS RECEIVED.

8. ACTION REQUESTED: WOULD APPRECIATE INSTRUCTIONS FROM DEPARTMENT IN RESPONSE TO PARKINSON'S PROPOSAL FOR EXCHANGE OF PAPERS (PARA 6 ABOVE). ALSO HELPFUL WOULD BE ANY INDICATION DEPARTMENT COULD GIVE US REGARDING ITS VIEWS OF CIPEC'S DESIRE TO CONSULT U.S. COPPER COMPANIES WHILE FORMULATING GENERAL PRICE/CONTRACT GUIDELINES (PARA 3 ABOVE).
RUSH

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Control Number: n/a
Copy: SINGLE
Sent Date: 24-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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TAGS: EMIN, FR, UNCTAD, CIPEC
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